

DEPARTMENT OF DEFENSE WAGE COMMITTEE
(Appropriated/Nonappropriated Fund)
Summary of 2411th Meeting – November 8, 2016

Purpose of Meeting: To consider the following:

NONAPPROPRIATED FUND

1. Los Angeles, California (Full Scale)
2. Orange, California (Full Scale)
3. Riverside, California (Full Scale)
4. San Bernardino, California (Full Scale)
5. Santa Barbara, California (Full Scale)
6. Guam (Full Scale)
7. Guam (Automotive Pay Plan)
8. Kern, California (Wage Change)
9. Kern, California (Automotive Pay Plan)

APPROPRIATED FUND

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10. Los Angeles, California (Full Scale)
 11. Santa Barbara, California (Full Scale)
 12. Las Vegas, Nevada (Full Scale)
 13. Portsmouth, New Hampshire (Full Scale)
 14. Seattle-Everett-Tacoma, Washington (Full Scale)
 15. San Francisco, California (Wage Change)
 16. Buffalo, New York (Wage Change)
 17. Missouri River Power (Special Rates) (Full Scale)

ADDED ITEMS

NONAPPROPRIATED FUND

18. Hillsborough, Florida (Survey Specifications)

APPROPRIATED FUND

19. Seattle-Everett-Tacoma, Washington (Addendum to Survey Specifications)
20. Jackson, Mississippi (Survey Specifications)
21. Narragansett Bay, Rhode Island (Survey Specifications)

The meeting was closed to the public on the basis of a determination under section 10(d) of the Federal Advisory Committee Act (Public Law 92-463) that the closing is necessary because matters considered relate to the internal personnel rules and practices of the Department of Defense and the wage survey data considered by the Committee in the development of FWS schedule recommendations have been obtained from private industry with the guarantee of confidentiality (5 USC 552b).

Alt. Chairman: Mr. Eric Clayton

Alt. DFO: Mr. Karl Fendt

Members: Ms. Sylvia Webb

Ms. Rosemary Meriwether

Mr. Jason Munro

Region Chief, Wage & Salary Division

(Army)

(Navy)

(Air Force)

Ms. Deanna Rightmyer (DLA)

Absent

Mr. Dennis Phelps

(AFGE)

(IBEW)

Technical Staff:

Mr. William Becht

Ms. Rebecca Chaves

Ms. Karen Kurian

NAF Presenter

NAF Recorder

NAF Observer

Mr. Brian Bauer

Ms. Stacy Nelson

AF Presenter

AF Recorder

Proceedings: The meeting convened at 10:00 a.m. at 4800 Mark Center Drive, Room 05K25, Alexandria, Virginia.

NONAPPROPRIATED FUND

(1) Los Angeles, California (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Unit-All Data was the line of record. There are no sport rates in the survey data. Analysis of the wage data by job average shows 8 jobs with 7,936 matches near the unit line, 6 jobs with 11,603 matches near the frequency line, no jobs near the midpoint line, and no ties; by grade average, 4 grades are near the unit line, 3 grades near the frequency line, no grades near the midpoint line, and no ties. Common firms were 188 out of 306 or 61%. The Staff-proposed line, Unit-All Data, provides an average increase of 5.32% or 86 cents per hour.

MOTION: Mr. Munro moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(2) Orange, California (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Frequency-All Data was the line of record. There is 1 high sport rate in the survey data. Analysis of the wage data by job average shows 7 jobs with 1,598 matches near the unit line, 6 jobs with 9,015 matches near the frequency line, 1 job with 370 matches near the midpoint line, and no ties; by grade average, 4 grades are near the unit line, 3 grades near the frequency line, 1 grade near the midpoint line, and no ties. Common firms were 100 out of 179 or 56%. The Staff-proposed line, Midpoint-All Data, provides an average increase of 2.75% or 45 cents per hour.

MOTION: Ms. Meriwether moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(3) Riverside, California (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Midpoint-All Data was the line of record. There are no sport rates in the survey data. Analysis of the wage data by job average shows 6 jobs with 4,252 matches near the unit line, 7 jobs with 3,650 matches near the frequency line, no jobs near the midpoint line, and no ties; by grade average, 4 grades are near the unit line, 3 grades near the frequency line, 1 grade near the midpoint line, and

no ties. Common firms were 108 out of 164 or 66%. The Staff-proposed line, Midpoint–All Data, provides an average increase of 3.04% or 48 cents per hour.

MOTION: Mr. Munro moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(4) San Bernardino, California (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Unit–All Data was the line of record. There is 1 high sport rate in the survey data. Analysis of the wage data by job average shows 3 jobs with 2,179 matches near the unit line, 9 jobs with 5,596 matches near the frequency line, no jobs near the midpoint line, and no ties; by grade average, 1 grade is near the unit line, 6 grades near the frequency line, no grades near the midpoint line, and no ties. Common firms were 106 out of 166 or 64%. The Staff-proposed line, Frequency–All Data, provides an average increase of 2.76% or 44 cents per hour.

MOTION: Ms. Meriwether moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(5) Santa Barbara, California (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Frequency–All Data was the line of record. There are no sport rates in the survey data. Analysis of the wage data by job average shows 5 jobs with 391 matches near the unit line, 8 jobs with 944 matches near the frequency line, no jobs near the midpoint line, and no ties; by grade average, 3 grades are near the unit line, 4 grades near the frequency line, no grades near the midpoint line, and no ties. Common firms were 76 out of 110 or 69%. The Staff-proposed line, Frequency–All Data, provides an average increase of 4.46% or 71 cents per hour.

MOTION: Mr. Munro moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(6) Guam (Full Scale) (Becht)

The full scale exhibits were distributed and reviewed. Mr. Becht reported that the Frequency–All Data was the line of record. There are no sport rates in the survey data. Analysis of the wage data by job average shows 5 jobs with 77 matches near the unit line, 9 jobs with 2,005 matches near the frequency line, 2 jobs with 265 matches near the midpoint line, and no ties; by grade average, 3 grades are near the unit line, 4 grades near the frequency line, 2 grades near the midpoint line, and no ties. Common firms were 54 out of 56 or 96%. The Staff-proposed line, Frequency–All Data, provides an average increase of 0% or 0 cents per hour.

MOTION: Ms. Meriwether moved, seconded by Mr. Munro, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(7) Guam (Automotive Pay Plan) (Becht)

The Automotive Pay Plan exhibit was distributed and reviewed. The flat rates increase by 2.37% or 40 cents per hour. The Committee adopted the proposed Automotive Pay Plan flat rates by consensus.

(8) Kern, California (Wage Change) (Becht)

The wage change exhibits were distributed and reviewed. The Staff-proposed line, Unit-All Data, provides an average increase of 3.29% or 49 cents per hour. The Committee adopted the Staff-proposed line by consensus.

(9) Kern, California (Automotive Pay Plan) (Becht)

The Automotive Pay Plan exhibit was distributed and reviewed. The flat rates increase by 1.65% or 38 cents per hour. The Committee adopted the proposed Automotive Pay Plan flat rates by consensus.

APPROPRIATED FUND

(10) Los Angeles, California (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Mid-Point (All Data) line. Data-Fit by Job Average: Eleven of the 23 survey job averages with 6,565 samples representing 38.32% of the data fit the unit line, and the remaining 12 with 10,566 samples representing 61.68% of the data fit the frequency line. Data-Fit by Grade Average: Six of the 11 grade weighted averages with 8,670 samples representing 15 jobs and 50.61% of the data fit the unit line, and the remaining 5 with 8,461 samples representing 8 jobs and 49.39% of the data fit the frequency line. The trend lines cross between grades 8 and 9. The Staff recommended the mid-point line as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.21 per hour at grade 1 to \$0.53 per hour at grade 15 with an average of \$0.3740 per hour, or 1.48%. The increase from the present Los Angeles-Long Beach, CA GS locality restricted schedule to the new unrestricted schedule averages \$2.3780 per hour, or 10.25%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$2.8800 per hour, or 12.69%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Ms. Meriwether moved, seconded by Mr. Munro, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(11) Santa Barbara, California (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Frequency (All Data) line. Data-Fit by Job Average: Seven of the 11 survey job averages with 365 samples representing 49.46% of the data fit the unit line,

and the remaining 4 with 373 samples representing 50.54% of the data fit the frequency line. Data-Fit by Grade Average: Three of the 7 grade weighted averages with 281 samples representing 5 jobs and 38.08% of the data fit the unit line, and the remaining 4 with 457 samples representing 6 jobs and 61.92% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the frequency line as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.08 per hour at grade 1 to \$0.56 per hour at grade 15 with an average of \$0.3140 per hour, or 1.23%. The increase from the present Los Angeles-Long Beach, CA GS locality restricted schedule to the new unrestricted schedule averages \$3.5786 per hour, or 16.19%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$3.8866 per hour, or 17.84%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Munro moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(12) Las Vegas, Nevada (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Unit (All Data) line. Data-Fit by Job Average: Eleven of the 18 survey job averages with 2,885 samples representing 61.57% of the data fit the unit line, and the remaining 7 with 1,801 samples representing 38.43% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 9 grade weighted averages with 2,364 samples representing 6 jobs and 50.45% of the data fit the unit line, and the remaining 4 with 2,322 samples representing 12 jobs and 49.55% of data fit the frequency line. The trend lines cross between grades 7 and 8. The Staff recommended the unit line as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.11 per hour at grade 1 to \$1.03 per hour at grade 15 with an average of \$0.5673 per hour, or 2.07%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$2.7733 per hour, or 11.01%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Las Vegas-Henderson, NV-AZ GS locality restricted schedule to the new unrestricted schedule averages \$2.7666 per hour, or 10.98%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Munro moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(13) Portsmouth, New Hampshire (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Portsmouth, New Hampshire wage area has a shipbuilding dominant industry. The wage area has adequate shipbuilding industry and data to meet the requirements of S5-12.

The Staff-proposed payline is the Frequency (All Data) line. Data-Fit by Job Average: Twelve of the 25 survey job averages with 2,643 samples representing 36.70% of the data fit the unit line, and the remaining 13 with 4,558 samples representing 63.30% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 12 grade weighted averages with 1,904 samples representing 6 jobs and 26.44% of the data fit the unit line, and the remaining 7 with 5,297 samples representing 19 jobs and 73.56% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the frequency line as the best-fit wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.27 per hour at grade 1 to \$0.95 per hour at grade 15 with an average of \$0.7486 per hour, or 3.24%. The increase from the present Boston-Worcester-Providence, MA-RI-NH-CT-ME GS locality restricted schedule to the new unrestricted schedule averages \$1.8180 per hour, or 8.26%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$2.3380 per hour, or 10.88%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Ms. Meriwehter moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(14) Seattle-Everett-Tacoma, Washington (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The area qualifies for a shipbuilding dominant industry and the reference area is Biloxi, Mississippi.

The Staff-proposed payline, using the inside-the-area data only is the Mid-Point (All Data) line. Data-Fit by Job Average: Fourteen of the 21 survey job averages with 3,046 samples representing 40.67% of the data fit the unit line, and the remaining 7 with 4,443 samples representing 59.33% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 8 grade weighted averages with 2,277 samples representing 7 jobs and 30.40% of the data fit the unit line, and the remaining 3 with 5,212 samples representing 14 jobs and 69.60% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the mid-point line as the most representative wage line.

The Staff-proposed payline using the reference area data is the Frequency (All Data) line. Data-Fit by Job Average: Sixteen of the 22 survey job averages with 3,151 samples representing 41.47% of the data fit the unit line, and the remaining 6 with 4,448 samples representing 58.53% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 8 grade weighted averages with 2,327 samples representing 8 jobs and 30.62% of the data fit the unit line, and the remaining 3 with 5,272 samples representing 14 jobs and 69.38% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the frequency line as the most representative wage line.

Application of the formula for adding the shipbuilding data results in a Staff-proposed payline derived as follows: the rate for grade 1 is from the combined data line which included data from

the Biloxi, Mississippi shipbuilding establishments, the rate for grade 2 is from the reference area, and the rates for grade 3 through grade 15 are from the within-area line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.01 per hour at grade 1 to \$2.08 per hour at grade 15 with an average of \$0.9826 per hour, or 3.48%. The increase from the present Seattle-Tacoma, WA GS locality restricted schedule to the new unrestricted schedule averages \$3.8406 per hour, or 15.15%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$4.2240 per hour, or 16.91%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Ms. Meriwether moved, seconded by Ms. Webb, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(15) San Francisco, California (Wage Change) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.37 per hour at grade 1 to \$0.92 per hour at grade 15 with an average of \$0.6486 per hour, or 2.25%. The increase from the present San Jose-San Francisco-Oakland, CA GS locality restricted schedule to the new unrestricted schedule averages \$2.1840 per hour, or 8.00%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$3.5753 per hour, or 13.81%. This is the new average schedule lag prior to any FY 2017 pay increase.

The Staff-proposed line was adopted by consensus.

(16) Buffalo, New York (Wage Change) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.09 per hour at grade 1 to \$1.25 per hour at grade 15 with an average of \$0.6753 per hour, or 2.62%. The increase from the present Buffalo-Cheektowaga, NY GS locality restricted schedule to the new unrestricted schedule averages \$1.9566 per hour, or 8.00%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$2.2373 per hour, or 9.26%. This is the new average schedule lag prior to any FY 2017 pay increase.

The Staff-proposed line was adopted by consensus.

(17) Missouri River Power (Full Scale) (Bauer)

In accordance with the Water Resources Development Act of 2007, Public Law 110-114 Sec. 5026, survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The unweighted average increase was \$2.34 per hour, or 5.88%. The weighted average increase was \$2.92 per hour, or 6.83%.

The Staff-proposed rates were adopted by consensus.

ADDED ITEMS:

NONAPPROPRIATED FUND

(18) Hillsborough, Florida (Survey Specifications) (Becht)

The survey specifications were distributed and reviewed. The Committee adopted the survey specifications by consensus.

APPROPRIATED FUND

(19) Seattle-Everett-Tacoma, Washington (Addendum to Survey Specifications) (Bauer)

The addendum was distributed and reviewed. The 2016 full scale survey did not yield adequate shipbuilding data. Therefore, a reference area determination was needed. Because neither the contiguous nor the surrounding wage areas had adequate shipbuilding industry and data, Biloxi, Mississippi was selected as the nearest similar area with adequate shipbuilding industry and data.

The Committee adopted the addendum as presented and by consensus.

(20) Jackson, Mississippi (Survey Specifications) (Bauer)

The proposed survey specifications were distributed and reviewed. There were no significant changes to the proposed survey specifications from 2015.

The Committee adopted the survey specifications as presented and by consensus

(21) Narragansett Bay, Rhode Island (Survey Specifications) (Bauer)

The proposed survey specifications were distributed and reviewed. The LWSC recommends that the Narragansett Bay, Rhode Island wage area be incorporated into the Boston, Massachusetts wage area. The Staff non-concurs as the previous survey indicated adequate industry and data exist in the survey area as currently defined. The LWSC recommendation will be forwarded to OPM for consideration. There were no other significant changes to the proposed survey specifications from 2015.

The Committee adopted the survey specifications as presented and by consensus.

The meeting adjourned at 10:40 a.m.



Eric Clayton
Alt. Chairman
DoD Wage Committee